

E-Mail ALPERSRU O/02

Subj: CGHRMS STATE INCOME TAX WITHHOLDING DATA ENTRY PROCEDURES

Ref: (a) [Personnel and Pay Procedures Manual, HRSICINST M1000.2\(series\), State Tax Listing Pages 8-B-3 to 8-B-9](#)

Introduction The purpose of this E-mail ALPERSRU is to explain state income tax processing and provide guidance when establishing or changing state tax income withholding information in CGHRMS.

Discussion The two charts in reference (a) are helpful in explaining withholding requirements and providing useful state address information. This E-Mail ALPERSRU is meant to supplement and add to, not replace, those charts.

The focus of this E-Mail ALPERSRU is to categorize states by their processing similarities and provide an understanding of how each category should be treated when establishing or changing a member's state income tax information in CGHRMS.

**Category 1 --
States With No
Income Tax**

The following states do not have a state income tax:

Alaska (AK)	South Dakota (SD)
Florida (FL)	Texas (TX)
Nevada (NV)	Washington (WA)
New Hampshire (NH)	Wyoming (WY)

CGHRMS procedures:

When establishing or changing state of legal residency to one of the above states, enter only State Code, ignoring Marital Status and Number of Exemptions fields. Their default values will not be passed to JUMPS.

Continued on next page

E-Mail ALPERSRU O/02

Subj: CGHRMS STATE INCOME TAX WITHHOLDING DATA ENTRY PROCEDURES

Category 1 -- States With No Income Tax (cont'd)

Example CGHRMS State Tax Data 1 Page for state with no income tax:

State Info. Find | View All | 1 of 1

'State: FL No State Withholding

☒ Resident ☐ Non-Residency Statement Filed ☐ UI Jurisdiction

Special Tax Status

☒ None ☐ Exempt and do not withhold tax ☐ Native American

Maintain gross taxable; SWT will be zero unless specified in 'Additional Withholding' below

Marital Status: 1 Single or married claim single

Withholding Allowances: 0

Additional Amount Adjustment

Amount: Increase Decrease

Percentage:

Lock-In Details

☐ Letter Received

Limit On Allowances: 0

Category 2 -- States That Do Not Have An Agreement to Withhold

The following states (and U.S. Territories) have a state income tax but do not have an agreement with the Department of Treasury to withhold state income taxes from a military member's pay:

Illinois (IL)	American Samoa (AS)
Michigan (MI)	Guam (GU)
Tennessee (TN)	Virgin Islands (VI)
West Virginia (WV)	

CGHRMS procedures:

When establishing or changing state of legal residency to one of the above states, enter only State Code, ignoring Marital Status and Number of Exemptions fields. Their default values will not be passed to JUMPS.

Example CGHRMS State Tax Data 1 Page for state with no agreement:

State Info. Find | View All | 1 of 1

'State: IL Graduated Tax Tbls-Allowances

☒ Resident ☐ Non-Residency Statement Filed ☐ UI Jurisdiction

Special Tax Status

☒ None ☐ Exempt and do not withhold tax ☐ Native American

Maintain gross taxable; SWT will be zero unless specified in 'Additional Withholding' below

Marital Status: 1 Single or married claim single

Continued on next page

E-Mail ALPERSRU O/02

Subj: CGHRMS STATE INCOME TAX WITHHOLDING DATA ENTRY PROCEDURES

**Category 3 --
States With
Military
Exemptions**

The following states (and U.S. Territories) have a state income tax and have an agreement with the Department of Treasury to withhold state income taxes from a military member's pay, but have conditions which allow a member to claim exemption from paying those taxes. See reference (a) for an explanation of the required conditions.

Arizona (AZ)	New Jersey (NJ)
California (CA)	New York (NY)
Connecticut (CT)	Oregon (OR)
Idaho (ID)	Pennsylvania (PA)
Minnesota (MN)	Vermont (VT)
Missouri (MO)	Puerto Rico (PR)
Montana (MT)	See E-Mail ALPERSRU Y/99 for special rules

CGHRMS procedures:

When establishing or changing state of legal residency for a member who meets the exemption conditions, enter State Code and indicate "Exempt and do not withhold tax" in the Special Tax Status field on State Tax Data 1 page, ignoring the Marital Status and Number of Exemptions fields. Their default values will not be passed to JUMPS. No state wages or taxes will be reported to JUMPS.

When establishing or changing state of legal residency for a member who does not meet the exemption conditions, enter State Code, Marital Status, and Number of Exemptions. Special Tax Status block on State Tax Data 1 page must indicate "None".

Per [E-mail ALPERSRU P/00](#), members who claim one of the above states (for Puerto Rico see special rules) are automatically subject to state income tax when they are stationed inside that state/territory. After a reporting endorsement processes in JUMPS, a CGHRMS tax event must be completed (either by member self-service or PERSRU) if the default values (single and zero) are not acceptable to the member.

Continued on next page

E-Mail ALPERSRU O/02

Subj: CGHRMS STATE INCOME TAX WITHHOLDING DATA ENTRY PROCEDURES

Category 3 -- States With Military Exemptions (Cont'd)

Example State Tax Data 1 Page, member entitled to exemption:

The screenshot shows the 'State Info.' form for California (CA). The 'Resident' checkbox is checked. Under 'Special Tax Status', the 'Exempt and do not withhold tax' radio button is selected. The 'Marital Status' is set to 'Single or married claim single'.

Example State Tax Data 1 Page, member not entitled to exemption:

The screenshot shows the 'State Info.' form for California (CA). The 'Resident' checkbox is checked. Under 'Special Tax Status', the 'None' radio button is selected. The 'Marital Status' is set to 'Single or married claim single'. The 'Withholding Allowances' field is set to 1. The 'Additional Amount Adjustment' section is visible, with 'Amount' and 'Percentage' fields. The 'Lock-In Details' section shows 'Letter Received' as unchecked and 'Limit On Allowances' as 0.

Category 4 -- States With Agreements

The following states have a state income tax and an agreement to withhold state income tax from a CG member's pay:

Alabama (AL)	Indiana (IN)	Massachusetts (MA)	Oklahoma (OK)
Arkansas (AR)	Iowa (IA)	Mississippi (MS)*	Rhode Island (RI)
Colorado (CO)	Kansas (KS)	Nebraska (NE)	South Carolina (SC)
Delaware (DE)	Kentucky (KY)	New Mexico (NM)	Utah (UT)
District of Columbia (DC)	Louisiana (LA)	North Carolina (NC)	Virginia (VA)
Georgia (GA)	Maine (ME)	North Dakota (ND)	Wisconsin (WI)
Hawaii (HI)	Maryland (MD)	Ohio (OH)	

Continued on next page

E-Mail ALPERSRU O/02

Subj: CGHRMS STATE INCOME TAX WITHHOLDING DATA ENTRY PROCEDURES

Category 4 -- States With Agreements (cont'd)

CGHRMS procedures:

When establishing or changing state of legal residency, enter State Code, Marital Status and Number of Allowances.

- * For residents of Mississippi, enter State Code (MS) and ignore the values in the Marital Status and Number of Exemptions fields. Enter a dollar amount in the Annual Exemption Amount block on State Tax Data 2 page.

Example CGHRMS State Tax Data 1 Page for State With Agreement to Withhold:

The screenshot shows the 'State Info.' page of the CGHRMS system. The 'State' field is set to 'KS'. The 'Resident' checkbox is checked. The 'Special Tax Status' section has three radio buttons: 'None' (selected), 'Exempt and do not withhold tax', and 'Native American'. Below this, a text box states: 'Maintain gross taxable; SWT will be zero unless specified in 'Additional Withholding' below'. The 'Marital Status' field is set to '2' (Single Head of Household). The 'Withholding Allowances' field is set to '3'.

Example CGHRMS State Tax Data 2 Page, member resident of Mississippi:

The screenshot shows the 'States' page of the CGHRMS system for a member resident of Mississippi. The 'State' field is set to 'MS'. The 'Addl Allowances' field is empty. The '% of Federal With: (AZ Only)' field is empty. The 'SDI Status' dropdown is set to 'N/A'. The 'Annual Exemption Amt: (MS Only)' field is set to '\$3,000'. The 'Retirement Plan (PR Only)' checkbox is unchecked. The 'Exempt From SUT' checkbox is checked. The 'California Wage Plan Code' section has a 'Disability/Unemployment Plan:' dropdown set to 'State/State'.

Continued on next page

E-Mail ALPERSRU O/02

Subj: CGHRMS STATE INCOME TAX WITHHOLDING DATA ENTRY PROCEDURES

**Category 5 --
Special State
Tax Treatment
for Native
Americans**

[ALPERSRU T/01](#) prescribes special procedures for eligible Native American service members who claim exemption from state tax withholding. Exemption is recorded by clicking the Native American tab in the Special Tax Status field on State Tax Data 1 page. The Marital Status and Number of Exemptions fields should not be completed; their default values will not be passed to JUMPS. No state wages or taxes will be reported to JUMPS.

Questions

Please direct all questions concerning CGHRMS functionality to the CGHRMS Help Desk at (785) 339-3540 (Menu option #1 for CGHRMS support) or by e-mail to hrsic-cghrms@hrsic.uscg.mil

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